

Arent Fox

April 1, 2011

VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

J. Isaac Himowitz

Attorney
202.715.8462 DIRECT
202.857.6395 FAX
himowitz.isaac@arentfox.com

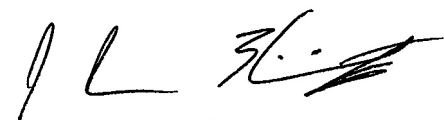
Re: **Notice of Ex Parte Presentation, CC Docket No. 01-92, *Developing A Unified Intercarrier Compensation Regime.***

Dear Ms. Dortch:

On March 31, 2011, on behalf of O1 Communications, Inc. and Vaya Telecom, Inc., Jim Beausoleil, Brad Jenkins, Michael Hazzard, and I met with John Hunter, Rohit Dixit, Travis Litman, Jay Atkinson, Kevin King, Doug Slotten, and Dan Ball, all of the Wireline Competition Bureau, to discuss intercarrier compensation reform.

The discussion in the meeting followed the attached presentation, which was distributed to the meeting attendees.

Sincerely,



J. Isaac Himowitz

*cc: John Hunter
Rohit Dixit
Travis Litman
Jay Atkinson

Kevin King
Doug Slotten
Dan Ball

*delivered via e-mail



Developing A Unified Intercarrier Compensation Regime

CC Docket No. 01-92

March 31, 2011



About O1 Communications, Inc.

- O1 is a California, facilities-based CLEC founded in 1998 and provides wholesale, enterprise, voice, and data services.
- O1 utilizes an IP network to route both IP-originated and TDM-originated traffic.
- O1 specializes in SIP origination and termination services and provides cost-effective peering arrangements to its customers.
- O1 provides its services on its own network in California, and peers with customers and service providers nationwide.





About Vaya Telecom, Inc.

- Vaya is a wholesale, facilities-based provider of SIP termination services in California.
- Vaya receives Internet Protocol traffic from a wide variety of customers.
- Vaya specializes in providing cost effective IP-to-PSTN protocol conversion and delivering that traffic to the PSTN for cost-effective termination.
- Vaya only terminates traffic to the PSTN that originates in IP-format.





O1's & Vaya's Interest In ICC Reform

- O1 and Vaya provide consumers, including IP-based applications providers, with cost-efficient access to the PSTN.
- Both O1 and Vaya route traffic to and from the PSTN, and benefit from a smoothly functioning intercarrier compensation system.
- O1 and Vaya, like many other carriers, have become engaged in billing disputes.
- Uncertainty in the regulatory regime hurts their ability to plan their business and has limited network expansion.





The FCC Should Simplify Intercarrier Compensation

- Legal and regulatory categories of traffic should be reduced to limit legal disputes
- Carriers should be encouraged to reach negotiated ICAs and reciprocal compensation agreements.
- ICC policies should encourage competition and the deployment of new technologies.
- Carriers should be discouraged from engaging in improper forms of self help.

Reducing Carrier Disputes Over Traffic Classification

- Carriers should be prevented from unilaterally classifying traffic based on their traffic flows.
- The Commission should reduce the number of categories of compensable traffic.
- Compensation rates should be devoid of implicit subsidies.
- LECs should be entitled to compensation for traffic originated from or terminated to IP-based application providers.



Encouraging Negotiated Agreements

- Lack of regulatory certainty makes negotiating reciprocal compensation agreements difficult.
- Carriers have little incentive to negotiate with each other outside of regulatory obligations.
- Commission rules should encourage IP interconnection between and among CLECs, ILECs, and CMRS providers as cost-efficiently as possible.
- Carriers should be encouraged to enter into symmetrical, cost-based agreements for the origination and termination of traffic.





Encouraging Competition & New Technologies

- The FCC should clarify that “end users” are a broad category that includes IP-based applications providers.
- IP-based application providers must have access to the PSTN on reasonable terms.
- The Commission should avoid adopting rules that increase costs for new technologies or services.
- As part of its network neutrality proceeding, the Commission should ensure fair treatment of third party VoIP applications.



Limiting Self Help & Unfair Competition

- LECs rely on access charges to meet revenue requirements and fund the expansion of their networks.
- The Commission should adopt rules to address issues arising from refusing to pay tariffed charges.
- The Commission should develop a streamlined mechanism to resolve ICC disputes.
- Regardless of billing disputes, call blocking should be forbidden. The Commission, PUCs, and courts are the only appropriate venue for such disputes.



Contact Info

O1 Communications, Inc. & Vaya Telecom, Inc.

By their attorneys:

Michael B. Hazzard
J. Isaac Himowitz
ARENT FOX LLP
1050 Connecticut Avenue, NW
Washington, DC 20036-5369
(202) 857-6000
hazzard.michael@arentfox.com
himowitz.isaac@arentfox.com

